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11
12 **UNITED STATES BANKRUPTCY COURT**
NORTHERN DISTRICT OF CALIFORNIA
13 **SAN FRANCISCO DIVISION**

14 In re:)	
	)	Bankruptcy Case
15 PG&E CORPORATION	)	No. 19-30088 (DM)
)	
16 - and -	)	Chapter 11
)	
17 PACIFIC GAS AND ELECTRIC	)	(Lead Case)
18 COMPANY,)	
	)	(Jointly Administered)
19 Debtors.)	
	)	Date: March 10, 2020
	)	Time: 10:00 a.m.
	)	Place: United States Bankruptcy Court
20 <input type="checkbox"/> Affects PG&E Corporation	)	450 Golden Gate Avenue
21 <input type="checkbox"/> Affects Pacific Gas and Electric Company	)	Courtroom 17
22 <input checked="" type="checkbox"/> Affects both Debtors	)	San Francisco, CA 94102
	)	Judge: Hon. Dennis Montali
23 <i>All papers shall be filed in the Lead Case,</i>	)	RE: Docket No. 5700 and 5732
24 <i>No. 19-30088 (DM).</i>)	

25 **OBJECTION OF THE UNITED STATES OF AMERICA TO THE [PROPOSED]**
DISCLOSURE STATEMENT FOR DEBTORS' AND SHAREHOLDER
PROPOSERS' JOINT CHAPTER 11 PLAN OF REORGANIZATION

26 The United States of America, on behalf of various federal agencies, hereby objects to the
27 [Proposed] Disclosure Statement for Debtors' and Shareholder Proposers' Joint Chapter 11 Plan of
28

1 Reorganization [Docket No. 5700] (the “Disclosure Statement”).¹

2 In accordance with the Court’s amended disclosure statement scheduling order (Docket No.
3 5732), the United States timely served on the Plan Proponents, but did not file, its bullet point
4 objections to the Disclosure Statement. A meet and confer on March 5 between counsel for the United
5 States and certain agencies of the State of California and the Plan Proponents resolved some, but not
6 all, of the United States’ objections with any resolutions remaining subject to the Plan Proponents’
7 service of a revised disclosure statement reflecting changes to address the United States’ and others’
8 objections and the United States’ review thereof. On March 5, the Plan Proponents served their
9 revised Disclosure Statement. In the limited time it has had to review the revised disclosure statement
10 before the disclosure statement objection deadline, the United States believes that some of its
11 objections remain unresolved as set forth herein. The United States expressly reserves, however, the
12 right to raise objections at the March 10 hearing that it believes remain unresolved after completing a
13 more thorough review of the revised disclosure statement. Additionally, the revised disclosure
14 statement served on March 5 states in a footnote to section IV that the Plan Proponents “are
15 considering proposed revisions to the Plan and, as such, this section remains subject to change.” The
16 United States reserves all rights to supplement this objection if the Plan Proponents make such
17 changes.
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19 ● The Disclosure Statement does not contain adequate information for wildfire survivors and
20 other wildfire claimants (e.g., federal government agencies) forced into the Fire Victim Trust under the
21 Plan to determine how much they will be paid or information to evaluate whether the Fire Victim
22 Trust is adequate to pay all Fire Victim Claims in full under the Plan where equity retains its interests
23 (i.e., a solvent debtor plan).
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28 ¹ Terms not otherwise defined herein shall have the meaning ascribed to them in the Disclosure Statement and accompanying exhibits.

1 ● The proposed Fire Victim Claims Resolution Procedures (Docket No. 6049) does not describe
2 how the Fire Victim Trust will resolve and pay certain types of claims asserted in the United States’
3 claims, e.g., fire suppression costs, reforestation and rehabilitation costs, and intangible environmental
4 damages.

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7 ● Page 4, sec. I. The Disclosure Statement must state whether or not the Tort Claimants
8 Committee supports the Plan.²

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10 ● Page 22, Section IV.A. The following sentence should be added at the end of the third
11 paragraph: “Certain state and federal government agencies will contend that the Plan does not comply
12 with AB 1054 because it does not provide funding, establish reserves for, provide for assumption of, or
13 otherwise provide for satisfying all prepetition wildfire claims in the settled, estimated or allowed
14 amounts as required by California Public Utilities Code section 3292(b)(1)(B).”
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17 ● Page 23, sec. IV.B. The description of the classification and treatment of Fire Victim Claims
18 must include a projected percentage recovery for such claims.
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21 ● Page 27, sec. IV.C.1. A paragraph must be added after the first paragraph stating that the Tort
22 Claimants Committee believes that \$13.5 billion is not enough to fully compensate the Fire Victims
23 even assuming FEMA’s and CalOES’ claims are disallowed. The TCC made this statement in a recent
24 pleading (Docket No. 5836) (*Reply in Support of Omnibus Objection to Claims Filed by the California*
25 *Governor’s Office of Emergency Services*).
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² References to page numbers are to the docket text page numbers.

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2 ● Page 37, Section VI.F. The Debtors state that they believe the Plan satisfies the “fair and equitable”
3 requirement with respect to any potential rejecting Class. The Disclosure Statement should briefly explain
4 how the Debtors meet the requirements of section 1129(b) if any of the impaired classes reject the Plan.
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6 ● Page 57, Section VIII. The Disclosure Statement must state whether or not the Tort Claimants
7 Committee supports the Plan.
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9 Date: March 6, 2020

Respectfully submitted,

10 JOSEPH H. HUNT
11 Assistant Attorney General
12 DAVID L. ANDERSON (CABN 149604)
United States Attorney

13 /s/ Matthew J. Troy
14 RUTH A. HARVEY
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Deputy Director
16 MATTHEW J. TROY
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17 Attorneys for the United States

18 **CERTIFICATE OF SERVICE**

19 I hereby certify that on March 6, 2020, I electronically filed the foregoing Objection with the Clerk of
20 the Court by using the CM/ECF system, which will send a notice of electronic filing to all CM/ECF
participants.

21 /s/ Matthew J. Troy
22 Matthew J. Troy
23 Senior Trial Counsel
Attorney for the United States
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